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WASHINGTON, D. C. 20006

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ALLEN H. HARRISON, JR.

DIRECT LINE (202)

872-6093

No.

MAR 29 1982

Fee \$ 50.00

March 29, 1982

ICC Washington, D. C.

MAR 29 1982-2 51 PM

Dear Madam Secretary:

INTERSTATE COMMERCE COMMISSION

On behalf of GLC Finance Corporation, I submit for filing and recording under 49 U.S.C. § 11303(a), the enclosed executed counterparts of a Security Agreement. This is a primary document not previously recorded with the Interstate Commerce Commission.

The parties to this transaction are:

GLC Finance Corporation (a Delaware Corporation),  
- Secured Party - Four Embarcadero Center,  
Suite 2200, San Francisco, California 94111.

Leaseco (a California general partnership), -  
Debtor - 1370 Brea Boulevard, Fullerton,  
California 92635

The said Security Agreement provides for the granting by the Debtor to the Secured Party a lien and interest in certain tank cars and the rentals received therefrom.

The equipment covered by the said Security Agreement consists of twenty 33,500 gallon tank cars, numbers AGLX 1131-1150.

Enclosed is a check for \$50.00 in payment of the recording fee.

A short summary of the document to appear in the index is as follows:

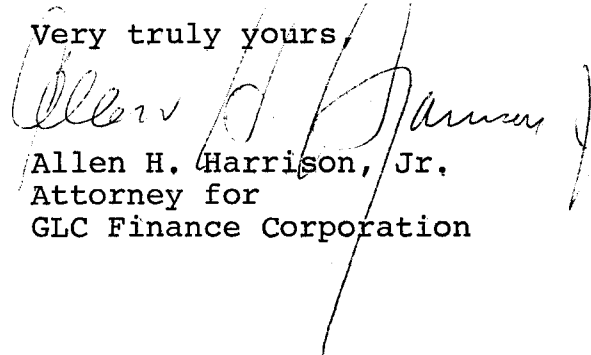
Security Agreement dated as of March 31, 1982 covering 20 33,500 gallon capacity tank cars, numbers AGLX1131-1150.

MAR 29 2 47 PM '82

*Allen H. Harrison, Jr.*

Once the filing has been made, please return to the bearer the stamped counterparts not required for filing purposes, together with the fee receipt, the letter from the Interstate Commerce Commission acknowledging the filing, and the extra copies of this letter of transmittal.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Allen H. Harrison, Jr.", is written over the typed name and title.

Allen H. Harrison, Jr.  
Attorney for  
GLC Finance Corporation

Mrs. Agatha L. Mergenovich  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Enclosures

AHH/iw

BY HAND

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

**3/29/82**

**OFFICE OF THE SECRETARY**

**Allen H. Harrison Jr.**  
**Wilmer, Cutler & Pickering**  
**1666 K. Street, N.W.**  
**Washington, D.C. 20006**

Dear

**Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **3/29/82** at **2:55pm**, and assigned recordation number(s). **13609**

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

MAR 29 1982-2 51 PM

SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS SECURITY AGREEMENT, dated as of March 31, 1982 (the "Security Agreement") is to GLC FINANCE CORPORATION, a Delaware corporation, whose address is Four Embarcadero Center, Suite 2200, San Francisco, California 94111 ("Secured Party") from LEASECO, a California general partnership, whose address is 1370 Brea Blvd., Fullerton, California 92635 ("Debtor").

1. Grant of Security Interest. The Debtor in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on that certain promissory note in the principal amount of One Million Two Hundred Eighteen Thousand Four Hundred Nineteen Dollars (\$1,218,419.00) dated March 31, 1982 (the "Note") according to its tenor and effect, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all of the Debtor's covenants and conditions in the Note and in this Security Agreement and in the Loan Agreement dated as of March 31, 1982 between Debtor and Secured Party (the "Loan Agreement"), (collectively the "Indebtedness"), does hereby convey, warrant, mortgage, assign, pledge and grant the Secured Party, its successors and assigns, a security interest in, all and singular of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Sections 1.1 and 1.2 hereof, subject always to those limitations set forth in Section 1.3 hereof (all of which properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral").

1.1 Equipment Collateral. Collateral includes the railroad equipment described in Schedule 1 attached hereto and made a part hereof (collectively the "Equipment" and individually an "Item" or "Item of Equipment") constituting the Equipment leased and delivered under that certain Tank Car Service Contract dated as of June 1, 1981 (the "Lease") between the Debtor, as lessor, and Andrews Petroleum Services, a California corporation ("APS"), as lessee; together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment hereinabove described, whether now owned or hereafter acquired, except such thereof as remain the property of the Lessee under the Lease, and all substitutions, renewals or replacements of any Equipment, as provided herein, and improvements, accessions and accumulations to any and all of said Equipment, except such thereof as remain the property of the Lessee under the Lease, together with all proceeds thereof.

1.2 Rental Collateral. Collateral also includes all right, title, interest, claims and demands of the Debtor as lessor in, to and under the Lease, including all extensions of the term of the Lease, together with all rights, powers, privileges, options and other benefits of the Debtor as lessor under the Lease, including, without limitation, the immediate and continuing right to receive and collect all rental, casualty payments, insurance proceeds, condemnation awards and other payments, tenders and security now or hereafter payable to or receivable by the Debtor, as lessor under the Lease pursuant thereto.

1.3 Limitations to Security Interest. The security interest granted by this Section 1 is subject to (a) the right, title and interest of the Lessee in and to the Equipment under the Lease so long as no Event of Default thereunder, shall have occurred and be continuing, (b) the lien of current taxes and assessments not in default (but only if such taxes are entitled to priority as a matter of law), or, if delinquent, the validity of which is being contested in good faith, so long as such contest will not affect or endanger the security interest or other rights of the Secured Party hereunder, and (c) liens of mechanics, materialmen and laborers for work or service performed or materials furnished which are not yet due and payable (collectively "Permitted Encumbrances"). Any product transported in the Equipment is expressly excluded from the security interest granted hereunder.

1.4 Duration of Security Interest. The Secured Party, its successors and assigns shall have and hold the Collateral forever; provided, always, however, that such security interest is granted upon the express condition that if the Debtor shall pay or cause to be paid all the Indebtedness hereby secured, or if the Loan to be made to Borrower pursuant to the Loan Agreement is not funded by April 15, 1982, then the security interest hereby granted and conveyed shall cease and this Security Agreement shall become null and void, and the Secured Party shall execute such instruments, including any reconveyances, releases or other documents required to release and terminate the security interest under this Security Agreement with the Interstate Commerce Commission; otherwise to remain in full force and effect.

2. Covenants and Warranties of the Debtor. The Debtor covenants, warrants and agrees as follows:

2.1 Debtor's Duties. The Debtor covenants and agrees to perform, abide by and to be governed and restricted by each and all of the terms, provisions, restrictions, covenants and agreements set forth in the Loan Agreement, and in each supplement thereto or amendment thereof which may at any time or from time to time be executed and

delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, restrictions, covenants and agreements were fully set out herein and as though any amendment or supplement to the Loan Agreement were fully set out in an amendment or supplement to this Security Agreement.

2.2 Warranty of Title. The Debtor has the right, power and authority to grant a security interest in the Collateral to the Secured Party for the uses and purposes herein set forth; and the Debtor will warrant and defend such title to the Collateral, against all claims and demands of persons claiming by, through or under the Debtor, excepting only this Security Agreement and Permitted Encumbrances. The Debtor also agrees that it will, at its own cost and expense, promptly take such action as may be necessary to duly discharge any liens and encumbrances on the Collateral which result from claims against the Debtor not related to the ownership of the Equipment. Without limiting the foregoing, there is no financing statement or other filed or recorded instrument in which the Debtor is named and which the Debtor has signed, as debtor or mortgagor now on file in any public office covering any of the Collateral excepting the financing statements or other instruments filed or to be filed in respect of and for the security interest provided for herein.

2.3 Warranty of Condition. The Debtor represents and warrants that as of the date hereof the Equipment is in good operating condition and appearance, except for ordinary wear and tear, in compliance with the manufacturer's specifications and in full compliance with all applicable rules, regulations and directives of the United States Department of Transportation and the Association of American Railroads.

2.4 Further Assurances. The Debtor will, at no expense to the Secured Party, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances reasonably necessary or proper for the perfection of the security interest being herein provided for in the Collateral. Without limiting the foregoing but in furtherance of the security interest herein granted in the rents and other sums due and to become due under the Lease, the Debtor covenants and agrees that it will notify APS of the assignment hereunder and notify APS that if an Event of Default (as defined in Section 13 hereof) occurs, the Secured Party shall have the right to direct APS to make all payment of such rents and other sums due and to become due under the Lease directly to the Secured Party or as the Secured Party may direct in writing.

2.5 Modification of the Lease. The Debtor will not without the prior written consent of Lender:

(a) declare a default or exercise the remedies of the Lessor under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification or surrender of, the Lease (except as otherwise expressly provided herein) or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease or any part thereof;

(b) receive or collect any rental payment under the Lease prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate or grant a security interest in (other than to the Secured Party hereunder) any rent payment then due or to accrue in the future under the Lease in respect of the Equipment; or

(c) sell, mortgage, transfer, assign or hypothecate or grant a security interest in (other than to the Secured Party hereunder) its interest in the Equipment or any part thereof or in any amount to be received by it from the use or disposition of the Equipment.

2.6 Power of Attorney. If Debtor is in Default (as defined in Section 13 hereof) hereunder, the Debtor does hereby irrevocably constitute and appoint the Secured Party its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rents, income and other sums which are assigned under Sections 1.1 and 1.2 hereof with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such rents and other sums and the security intended to be afforded hereby.

2.7 Notice of Default. The Debtor further covenants and agrees that it will give the Secured Party prompt written notice of any event or condition constituting an Event of Default under the Lease if the Debtor has actual knowledge of such event or condition.

3. Application of Assigned Rentals. As more fully set forth in Section 1.2 hereof the Debtor has hereby granted to the Secured Party a security interest in rents, issues, profits, income and other sums due and to become due under the Lease in respect of the Equipment as security for the Note. If an Event of Default (as defined in Section 13 hereof) has occurred and is continuing, the amounts from time to time received by the Secured Party which constitute payment by the Lessee under the Lease of the installments of rental under the Lease shall be applied first, to the payment of the installments of principal and interest (and in each case first to interest and then to principal) on the Note, including any default interest as provided in the Note, which have matured or will mature on or before the due date of the installments of rental which are received by the Secured Party, and then the balance, if any, of such amounts shall be paid to or upon the order of the Debtor not later than the first business day following the receipt thereof.

4. Indebtedness. Debtor covenants that it will pay (a) the indebtedness when due, (b) Secured Party's costs of collecting the indebtedness and of realization on the Collateral, and any other expenditures of Secured Party pursuant hereto, including attorneys' fees and expenses, and (c) any deficiency after realization on the Collateral.

5. Location. The Equipment shall be located within the continental United States (excluding Alaska and Hawaii) and Debtors will not remove or allow the removal of any of the Equipment therefrom without the prior written consent of Secured Party. The Equipment is and will at all times remain removable personal property, and Debtor will not permit the Equipment to become a part of or affixed to any real or personal property of any person other than Debtor without first making arrangements satisfactory to Secured Party to protect its prior security interest therein. The principal place of business of Debtor is 1370 Brea Blvd., Fullerton, California 92635 and Debtor will notify Secured Party in writing immediately upon any change of its principal place of business.

6. No Liens. Debtor covenants that it will not abandon the Collateral nor sell, assign, lease, mortgage, pledge, or otherwise transfer, encumber, or suffer a lien to exist upon or against the Collateral except for the security interest granted herein to Secured Party.

7. Maintenance. Debtor agrees that, until all obligations under this Agreement have been fulfilled, Debtor shall, at its sole expense: maintain the Equipment in good operating condition, appearance, in accordance with the manufacturers' specifications and in full compliance with all applicable rules, regulations and directives of the United States Department of Transportation, the Association of American Railroads, or any successor agencies or organizations;

make all replacements of any components or parts with an equivalent type and value as originally supplied on the Equipment; and not make any alterations to the Equipment which would adversely affect its operation or reduce its market value in any way. Debtor will promptly notify Secured Party in writing of any loss or damage to the Equipment, the attachment of any lien upon the Equipment or any condemnation or other proceedings involving or affecting the value of the Equipment. Secured Party, at its sole expense, shall be entitled to inspect the Equipment at any time during reasonable business hours.

8. Taxes. Debtor agrees that, at its sole expense, it shall promptly pay all taxes, assessments, license fees and other public or private charges when levied or assessed against the Collateral or the sale, use or operation thereof, including, but not limited to, use, sales or property taxes; provided, however, that Debtor shall have the right to contest the validity of any of the above in good faith, so long as such contest will not affect or endanger the security interest or other rights of the Secured Party hereunder.

9. Insurance. Debtor shall, at its sole cost, maintain in effect with financially satisfactory insurers: (a) "all risk" insurance insuring the Equipment against physical damage, loss or theft in an amount not less than the then replacement cost thereof (which coverage shall in no event be less than the amount of indebtedness then outstanding); (b) worker's compensation and employer's liability insurance, in accordance with all applicable state and federal laws; (c) comprehensive general liability insurance with limits which shall not be less than fifteen million dollars (\$15,000,000), combined single limit, including contractual liability, product liability and sudden and accidental pollution coverage; and (d) such other and/or greater insurance coverage as Secured Party shall reasonably request. All insurance coverage shall name Secured Party as additional insured and/or loss payee, insure Secured Party's interest regardless of any breach or violation by Debtor of any warranties, declarations or conditions relating to such insurance, provide that the insurer will have no right of subrogation against or in favor of Secured Party, and provide that the insurer will give Secured Party not less than 60 days prior written notice as to the expiration, termination, suspension or material change in any coverage, it being understood that no such termination, expiration or change will be effective until after such period has expired. Certificates or other evidence satisfactory to Secured Party showing the existence of such insurance, the terms and conditions thereof and payment of the premium therefor shall be delivered promptly to Secured Party as requested from time to time. Debtor shall not under any circumstances permit the Equipment to be at risk without all said insurance being fully in effect. If Debtor fails to procure such insurance or if such insurance is subsequently cancelled or expires, and Debtor fails to timely

furnish satisfactory replacement insurance, Secured Party at its election may purchase single interest insurance protecting Secured Party alone against loss, charging same to Debtor without waiving its right to treat such failure as a breach of this Agreement.

10. Loss or Destruction. Debtor shall bear the sole risk of the Equipment being lost, destroyed, stolen, irreparably damaged or rendered unfit for use, in whole or in part, from any cause whatsoever. In the event of a total loss or destruction of an Item of Equipment, as defined below, Debtor shall have the following options:

(i) Prepay to Secured Party, within sixty (60) days from the date of such loss, an aggregate amount equal to one-twentieth of the unpaid principal balance of the Note and accrued interest on the foregoing at the rate specified in the Note to the date of payment (at which time the monthly payments called for in the Note shall be adjusted to fully amortize the then remaining unpaid principal balance of the Note over the then remaining term of the Note). If Debtor chooses the prepayment option provided above, then such prepayment shall be accompanied by a prepayment premium determined in accordance with the following schedule:

<u>No. of Months Elapsed from Date of Note to Prepayment</u>	<u>Prepayment* Premium</u>
0 - less than 6	7.0%
6 - less than 12	6.5%
12 - less than 18	6.0%
18 - less than 24	5.5%
24 - less than 30	5.0%
30 - less than 36	4.5%
36 - less than 42	4.0%
42 - less than 48	3.5%
48 - less than 54	3.0%
54 - less than 60	2.5%
60 or above	0.0%

\* Expressed as a percentage of the principal amount of the Note actually prepaid; or

(ii) Replace the Item of Equipment with a comparable Item of Equipment acceptable to Secured Party within sixty (60) days from the date of such loss, provided that Debtor, at its sole expense, takes any actions and executes any documents required to assure Secured Party that the security interest granted hereunder attaches to such a replacement Item of Equipment as a valid, perfected lien which meets the requirements of subsection 5.1(f) of the Loan Agreement.

If Debtor is not otherwise in default hereunder, any proceeds of insurance received by Secured Party shall be applied at Debtor's option as a prepayment on the Note or used to replace the Item of Equipment as provided above.

In the event of partial loss or destruction of an Item of Equipment, as defined below, Debtor shall diligently commence and continue to pursue all steps necessary to promptly restore the Item of Equipment to the condition required by Section 7 hereof or to replace the Item of Equipment with a comparable Item of Equipment acceptable to Secured Party, provided that Debtor, at its sole expense, takes any actions and executes any documents required to assure the Secured Party that the security interest granted hereunder attaches to such a replacement Item of Equipment as a valid, perfected lien which meets the requirements of Subsection 5.1(f) of the Loan Agreement. Any proceeds of insurance received by Secured Party in the event of partial loss or destruction of an Item of Equipment shall be applied either to repair the Item of Equipment or to reimburse Debtor for the cost of such repair or to replace the Item of Equipment as provided above, provided that Debtor is not otherwise in default hereunder.

As used herein, the phrase "total loss or destruction" shall be deemed to include any event of loss or destruction which reduces the fair market value of the Item of Equipment to an amount that is less than one-twentieth of the outstanding principal balance of the Note or which would, in the exercise of reasonable diligence, require more than ninety (90) days to repair or replace; and, the phrase "partial loss or destruction" shall be deemed to include all other events of loss or destruction.

11. Indemnity from Liability; Use of Collateral. Debtor agrees to indemnify and hold Secured Party harmless against all claims, expenses (including attorneys' fees), liabilities or demands arising out of or in connection with this Agreement or the ownership, use, operation, possession or control of the Collateral by Debtor or any other person. Debtor will not use or permit the Collateral to be used for any unlawful purpose or in violation of any applicable federal, state or municipal law, statute or ordinance.

12. Secured Party's Rights. Debtor acknowledges that time is of the essence in the performance of Debtor's duties and obligations under this Agreement. All rights and remedies of Secured Party hereunder are cumulative and are in addition to and not in limitation of any other rights and remedies Secured Party may have by virtue of any other instrument or

agreement. No delay by Secured Party in the exercise of any right or remedy shall operate as a waiver thereof, no single or partial exercise by Secured Party of any right or remedy shall preclude any further exercise thereof or the exercise of any other right or remedy, and no waiver by Secured Party of any breach or default shall constitute a waiver of any other breach or default or of any of Secured Party's other rights and remedies.

If Debtor shall default hereunder, Secured Party may, in addition to any other rights it may have, take whatever action may be necessary to remedy such default, including, without limitation, the expenditure of monies to protect and preserve Secured Party's interest in the Collateral, including payment of insurance premiums, payment of taxes, making repairs, storage, transportation, and removal of liens. If Secured Party takes any such action, Secured Party shall not be liable to Debtor or any other person for damages as a result of delays, temporary withdrawals of the Equipment from service or any other reason whatsoever. Any amounts paid by Secured Party shall be reimbursed by Debtor hereunder, become part of the indebtedness secured hereby, be forthwith due and payable, and shall bear interest thereon from date of expenditure or due date thereof at the rate set forth with respect to delinquencies in the Loan Agreement.

13. Events of Default. The occurrence of any of the following events shall constitute a default ("Event of Default" or "Default") hereunder:

(a) failure of Debtor to pay within ten (10) days of the due date (i) any installment(s) under the Note or (ii) under any of the indebtedness hereunder or any part thereof;

(b) Failure of Debtor to maintain the insurance coverage which is required under Section 9 hereof;

(c) failure of Debtor to observe or perform any other material covenant or condition herein or in the Loan Agreement, the Note or any other agreement or instrument between Debtor and the Secured Party;

(d) death of John K. Andrews or Hank F. Weeks, followed by Debtor's failure to procure a substitute guarantor or other security acceptable to Secured Party within thirty (30) days;

(e) withdrawal of John K. Andrews or Hank F. Weeks as a managing general partner of Debtor;

(f) failure of APS, John K. Andrews, Susan Andrews, Hank F. Weeks, Kim A. Weeks, Terrence W. Andrews or Molly Andrews (collectively referred to as the "Guarantors") to observe or perform any covenant or condition hereunder or

In the guaranties between Guarantors and Secured Party (the "Guaranties");

(g) any representation, warranty or statement made herein or in the Loan Agreement or made or furnished to Secured Party by or on behalf of Debtor or any of the Guarantors in connection herewith or in connection with any other agreement or instrument with Secured Party shall prove to have been untrue or incorrect in any material respect when made;

(h) loss, theft, substantial damage, destruction, sale, encumbrance or condemnation of any of the Collateral or the levy of any attachment, execution or other process against Debtor or any of the Collateral, except where such event is fully covered by insurance, the proceeds of which are payable to the Secured Party or to Secured Party and Debtor jointly or the requirements of Section 10 hereof have been satisfied;

(i) any order, judgment or decree is entered by a court of competent jurisdiction against Debtor, APS, John K. Andrews, Susan Andrews, Hank F. Weeks or Kim A. Weeks which would have a materially adverse impact upon the business or financial condition of such party;

(j) Debtor, APS, John K. Andrews, Susan Andrews, Hank F. Weeks or Kim A. Weeks shall become insolvent, admit in writing its or their inability to pay its or their debts, or make a general assignment for the benefit of creditors, or if any proceeding is instituted by or against any of them for any relief under any bankruptcy or insolvency laws, or if a receiver is appointed with respect to any property of any of them;

(k) dissolution of Debtor or termination or suspension by Debtor of its business as a going concern;

(l) any obligation of Debtor for the payment of borrowed money, for the payment of the deferred purchase price of property or for the payment of rent under any lease of property in excess of \$50,000, separately or in the aggregate, shall not be paid when due and the period of grace, if any, provided with respect thereto shall have elapsed, or any such obligation shall have been accelerated, or Debtor shall have forfeited its rights in relation to any such obligation; provided, however, that Debtor shall not be in default hereunder so long as they are contesting the validity of any such obligation in good faith; or

(m) the failure of APS to maintain a minimum tangible net worth of \$4,000,000 or a minimum current ratio of 1.5 to 1.0; "tangible net worth" as used above means audited

net worth less goodwill, organizational expenses and other intangible assets as computed according to generally accepted accounting principles and "current ratio" as used above means current assets divided by current liabilities as computed according to generally accepted accounting principles.

Debtor shall have thirty (30) days from the date of the occurrence of any of the Events of Default in subsections (c) through (m) above in which to cure such a Default, if possible, prior to the exercise by Secured Party of the remedies set forth in Section 14 below.

#### 14. Remedies.

14.1 The Debtor agrees that when any Event of Default has occurred and is continuing, the Secured Party shall have the rights, options, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the Uniform Commercial Code of California (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and without limiting the foregoing, the Secured Party may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies, but each every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute.

(a) The Secured Party may by notice in writing to the Debtor declare the entire unpaid principal balance of the Note to be immediately due and payable; and thereupon all such unpaid principal balance, together with all accrued interest thereon, shall be and become immediately due and payable;

(b) The Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold;

(c) The Secured Party may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after

taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Debtor once at least ten days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of the Collateral, or any part thereof, at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Secured Party may determine, and at any place (whether or not it be the location of the Collateral or any part thereof) designated in the notice above referred to; provided, however, that any such sale shall be held in a commercially reasonable manner. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sales or sales, without further published notice, and the Secured Party or the holder of the Note, or of any interest therein, may bid and become the purchaser at any such sale;

(d) The Secured Party may proceed to protect and enforce this Security Agreement and the Note by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted; or for foreclosure hereunder, or for the appointment of a receiver or receivers for the mortgaged property or any part thereof, or for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other proper, legal or equitable remedy available under applicable law; and

(e) The Secured Party may proceed to exercise all rights, privileges and remedies of the Debtor under the Lease, and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party.

14.1 Acceleration Clause. In case of any sale of the Collateral, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Security Agreement, the principal of the Note, if not previously due, and the interest accrued thereon, shall at once become and be immediately due and payable; also in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Note and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Note including principal and interest thereof out of the net proceeds of such sale after allowing for the proration of the total purchase price required to be paid in cash.

14.2 Waiver by Debtor. To the extent permitted by law, the Debtor covenants that it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law now or at any time hereafter in force, nor claim, take, nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisement of the Collateral or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and, to the full extent legally permitted, except as to rights expressly provided herein, hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Debtor acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

14.3 Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold, shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Debtor, its successors or assigns.

14.4 Application of Sale Proceeds. The proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Secured Party, or the holder or holders of the Note and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) Second, to the payment of the holder or holders of the Note of the amount then owing or unpaid on the Note for principal, interest and premium, if any.

(c) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

14.5 Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Debtor, the Secured Party and the holders of the Note shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

14.6 Cumulative Remedies. No delay or omission of the Secured Party or of the holder of the Note to exercise any right or power arising from any default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party, or the holder of the Note of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party or holder of the Note be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

15. Marking of Equipment. Debtor will, within thirty (30) days of the Funding Date (as that term is defined in the Loan Agreement), keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each item of Equipment in letters not less than two inches in height as follows:

"Leased from Leaseco and subject to a Security Interest recorded with the I.C.C."

with appropriate changes thereof and additions thereto as from

time to time may be reasonably requested in writing by Secured Party or may be required by law in order to protect the security interest of the Secured Party to such item of Equipment. Debtor will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Debtor shall not allow the name of any person, association or corporation other than itself to be placed on the Equipment as a designation that may be interpreted as a claim of ownership.

16. Other Property. In the event the Equipment shall have affixed or attached to it other personal property not constituting part of the Equipment, Secured Party may, at the time of any repossession thereof, take such personal property into custody and store it at the risk and expense of Debtor. Debtor hereby releases Secured Party from any liability for loss or damage to such other property and do hereby agree to indemnify and hold Secured Party harmless from any claims or damages by any other person arising therefrom; provided, however, that Secured Party shall use reasonable efforts to protect such property.

17. Financial Information. Debtor agrees to furnish Secured Party promptly with such other documents or information it may reasonably request while this Agreement is in effect, including, but not limited to, information as to the value and condition of the Collateral and financial information as to Debtor and its operations, including the financial statements required in Section 4 of the Loan Agreement, as shall be necessary to protect Secured Party's rights hereunder.

18. Notices. Any notices, requests, demands or other communications required to be given hereunder shall be given to the parties in writing and by first-class U.S. mail, postage prepaid, addressed to the parties at their respective addresses shown in the first paragraph hereof or to such other addresses as the parties may substitute hereafter by written notice, and shall be deemed delivered on the third day following the mailing thereof.

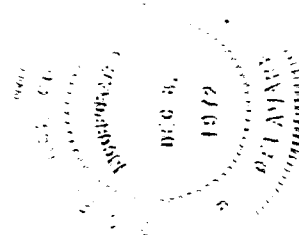
19. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Security Agreement as of the date hereinabove set forth, and Debtor hereby acknowledges receipt of a true and fully executed copy hereof.

SECURED PARTY:

GLC FINANCE CORPORATION

By Thomas C. Nord  
Its Vice President



DEBTOR:

LEASCO

By John K. Andrews  
John K. Andrews  
Managing General Partner

By Terrence W. Andrews  
Terrence W. Andrews  
General Partner

By Molly Andrews  
Molly Andrews  
General Partner

By Hank F. Weeks  
Hank F. Weeks  
Managing General Partner

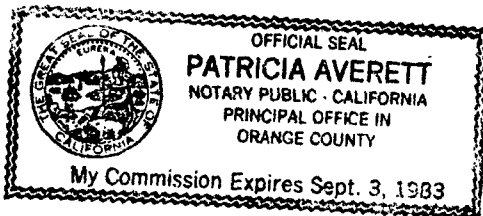
Schedule 1

<u>Number of Cars</u>	<u>Description</u>	<u>Road Number</u>
Twenty (20)	33,500 Gallon tank cars, Class DOT 105A300-W, equipped with 100-ton trucks	AGLX1131-1150 inclusive

1066L

State of California                    )  
  )    ss  
County of Orange                    )

On this 25th day of March, 1982 before me, Patricia Averett  
          , a Notary Public for the State of California, personally  
appeared John K. Andrews, known to me to be the person  
described in and who executed the foregoing instrument and he  
acknowledged that he executed the same as his free act and deed.



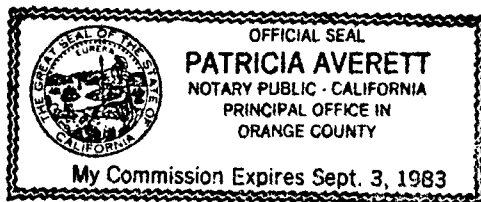
[Seal]

Patricia Averett  
Notary Public  
State of California

My commission expires on September 3, 1983

State of California                    )  
  )   SS  
County of Orange                    )

On this 25th day of March, 1982 before me, Patricia Averett  
          , a Notary Public for the State of California, personally  
appeared Terrence W. Andrews, known to me to be the person  
described in and who executed the foregoing instrument and he  
acknowledged that he executed the same as his free act and deed.



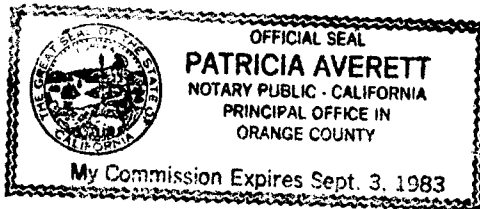
[Seal]

  
Notary Public  
State of California

My commission expires on September 3, 1983

State of California                    )  
  ) ss  
County of Orange                    )

On this 25th day of March, 1982 before me, Patricia Averett  
\_\_\_\_\_, a Notary Public for the State of California, personally  
appeared Molly Andrews, known to me to be the person described  
in and who executed the foregoing instrument and she  
acknowledged that she executed the same as her free act and  
deed.



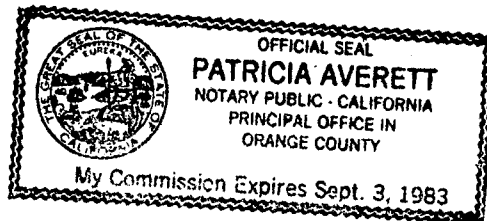
[Seal]

*Patricia Averett*  
Notary Public  
State of California

My commission expires on September 3, 1983

State of California                    )  
  )  ss  
County of   Orange                    )

On this 25th day of March, 1982 before me, Patricia Averett  
          , a Notary Public for the State of California, personally  
appeared Hank F. Weeks, known to me to be the person described  
in and who executed the foregoing instrument and he  
acknowledged that he executed the same as his free act and deed.



  
Notary Public  
State of California

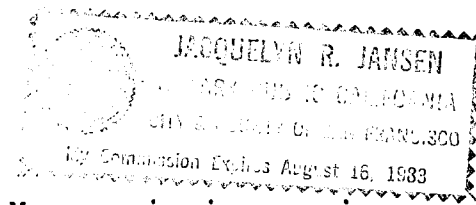
[Seal]

My commission expires on September 3, 1983

State of California                    )  
  ) ss  
County of San Francisco            )

On this 26 day of March, 1982, before me, Jacquelyn R. Jansen, a Notary Public for the State of California, personally appeared Thomas S. Nord to me personally known, who being by me duly sworn, says that he is the Vice President of GLC Finance Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and be acknowledged that execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]



My commission expires \_\_\_\_\_

Jacquelyn R. Jansen  
Notary Public  
State of California